

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re SONY BMG CD Technologies Litigation	:	No. 05 CV 9575 (NRB)
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**DECLARATION OF J. SCOTT DINSDALE IN SUPPORT OF
FINAL APPROVAL OF THE SETTLEMENT**

EXHIBITS A-B

Exhibit A

J. SCOTT DINSDALE
1710 DECKER CANYON ROAD
MALIBU, CA 90265

SONY BMG MUSIC ENTERTAINMENT

03/06 – CURRENT

Executive Vice President, Digital Operations & New Technology

SONY BMG Music Entertainment, a Bertelsmann / Sony joint venture, is a global leader in music and entertainment. Responsible for worldwide digital operations and production in support of Sony BMG's Global Digital Business unit as well as new technology and anti-piracy.

INDEPENDENT CONSULTANT

06/03 – 03/06

Business Development Consultant to M&E Partners

Accenture is a \$15B+ leader in global management consulting, technology services and outsourcing. Consultant to Accenture's Media & Entertainment practice working with partners, clients and project teams in all engagement phases.

RUCKUS / THE COLLEGE ENTERTAINMENT NETWORK

06/03 – 03/06

Former Member of the Board

Ruckus is the premier digital entertainment service for universities offering a myriad of ways for college students to connect with one another. The Ruckus service includes national, local, and campus based programming, 1.2 million licensed tracks of music from major labels and indies, Hollywood blockbusters, cult classics, and independent films. Founding team member.

MOTION PICTURE ASSOCIATION OF AMERICA

10/00 – 06/03

Executive Vice President, Digital Strategy

The MPAA and its international counterpart, the MPA, serve as domestic and international advocates for the American motion picture, home video and television industries. Responsible for representing and guiding the interests of the audio-visual industry in the emerging digital age.

FIRSTLOOK LLC

10/99 – 10/00

Executive Vice President & CTO

Launched as a business-to-consumer site with a business-to-business revenue model, FirstLook brought aggregated, preview marketing to an online audience. Recruited by Kleiner Perkins & IdeaLab and responsible for leading business development, technology design and implementation and business operations. Named to ComputerWorld's Top 100 IT Leaders list for 2000

BMG ENTERTAINMENT

10/94 -09/99

Senior Vice President, CTO & CIO

BMG Entertainment was the \$6 billion entertainment division of Bertelsmann AG, the world's third largest media company operating in over 50 countries. Accountable, as Chief Technology Officer, to the CEO for developing and engaging in the digitization of entertainment products and channels. As Chief Information Officer accountable to the CFO for the conception, development and implementation of information systems throughout BMG's worldwide operations.

MERRILL LYNCH, PIERCE, FENNER & SMITH

02/92 -10/94

Vice President, Applied Technology & Group Director, Advanced Office Services

Largest, and most profitable, full service domestic brokerage firm. Retail systems support encompassing over 18,000 branch users, 2,000 home office users and various underlying high volume transactional systems. Responsible for IT Strategic Planning and applications development.

COMTEX SCIENTIFIC CORPORATION (A DBC AFFILIATE)

02/91 -02/92

President & Chief Executive Officer

An information services company specializing in the delivery of profiled business information products to resellers. Full P&L accountability to the Chairman and Board.

DATA BROADCASTING CORPORATION (DBC)

12/84 -2/91

President (DBTI Subsidiary) 03/90 -2/91

President (DBC) 03/89 -3/90

Executive Vice President 01/88 -3/89 Vice President, Technology 12/84 -1/88

The leading provider of real-time financial data and information services to individual investors. Co-founder. Parent of SHARK Information Systems.

OTHER

- Member of the InformationWeek Editorial Advisory Board
- Founder & Executive Director of the InformationWeek & Stanford University's Executive Boot Camp in partnership with CMP Media & Stanford University
- Lecturer at The Wharton School University of Pennsylvania, Stanford University, UCLA's Anderson School of Business & The Stephens Institute
- Founding Board Member of the International Informatics Society (in conjunction with the Santa Fe Institute)
- Regular keynote speaker and panelist at various entertainment, e-media, information technology and business events and conferences.

ACADEMIC

- Graduate Study Computer & Information Sciences (Queen's University, Canada)
 - Concentration in communications, software development systems and artificial intelligence (game theory)
- BSc. '80 Computer & Information Sciences (Queen's University, Canada)
 - Accelerated Masters entry program
- BSc. '79 Biology (Queen's University, Canada)
 - Concentration in molecular biology and mammalian genetics

Exhibit B



Methodology and Background

Methodology & Background

- SONY BMG worked with Insight Research group (NYC)
 - Same company that was used by BMG for Anthony Hamilton and JKwon surveys (2004)
- New survey was designed to ascertain consumers' reactions to, and impressions of, the labeling, user interface, and content protection in general.
- Consumers were alerted to the survey through three channels:
 - Rotating banner within the second session
 - Email blast
 - Artist site link

Methodology & Background (continued)

- Participants were entered into a drawing for \$300
- Amerie and Cassidy surveys ran for 2 weeks; Buddy Jewell ran for 3 weeks
- Amerie and Buddy Jewell discs used First4Internet's XCP2; Cassidy used Sunncomm's MediaMax V5
 - Fully compliant with Sony-Philips CD specifications
 - Protection on the PC only
 - Ripping to secure windows media audio and Sony ATRAC formats (F4I discs)
 - i.e. no iPod support
 - Compressed files able to be burned
 - Limited number of burns allowed
 - Resulting secure CD prevents further copying

As expected, Amerie/Cassidy fan bases are very different from Buddy Jewell's

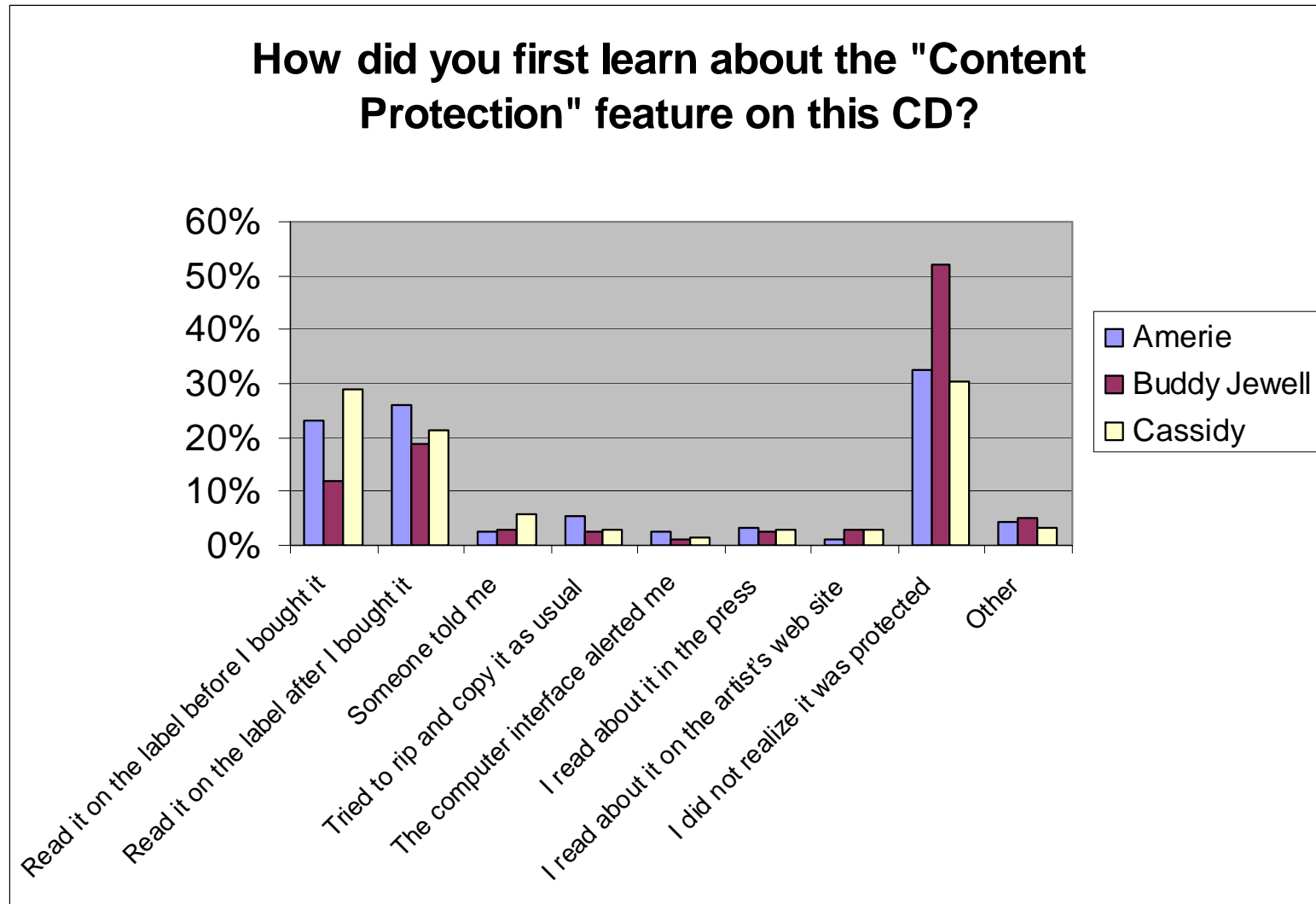
- Amerie and Cassidy listeners are primarily African-American (~70%) & younger
 - Amerie - 82% are 14–29 yrs old
 - Cassidy - 91% are 22 yrs old
- Buddy Jewell listeners are older (63% are 40-59 yrs old) and Caucasian (92%)
- Not surprisingly, how consumers came to the surveys was quite mixed:

	Amerie	Buddy Jewell	Cassidy
Second Session Banner	1497	149	229
Email Blast	1249	990	636
Artist Web Site Link	<u>554</u>	<u>45</u>	<u>1096</u>
TOTAL	3300	1184	1961
Sales during this period	170,153 (1.93%)	43,430 (2.73%)	110,000 (1.78%)

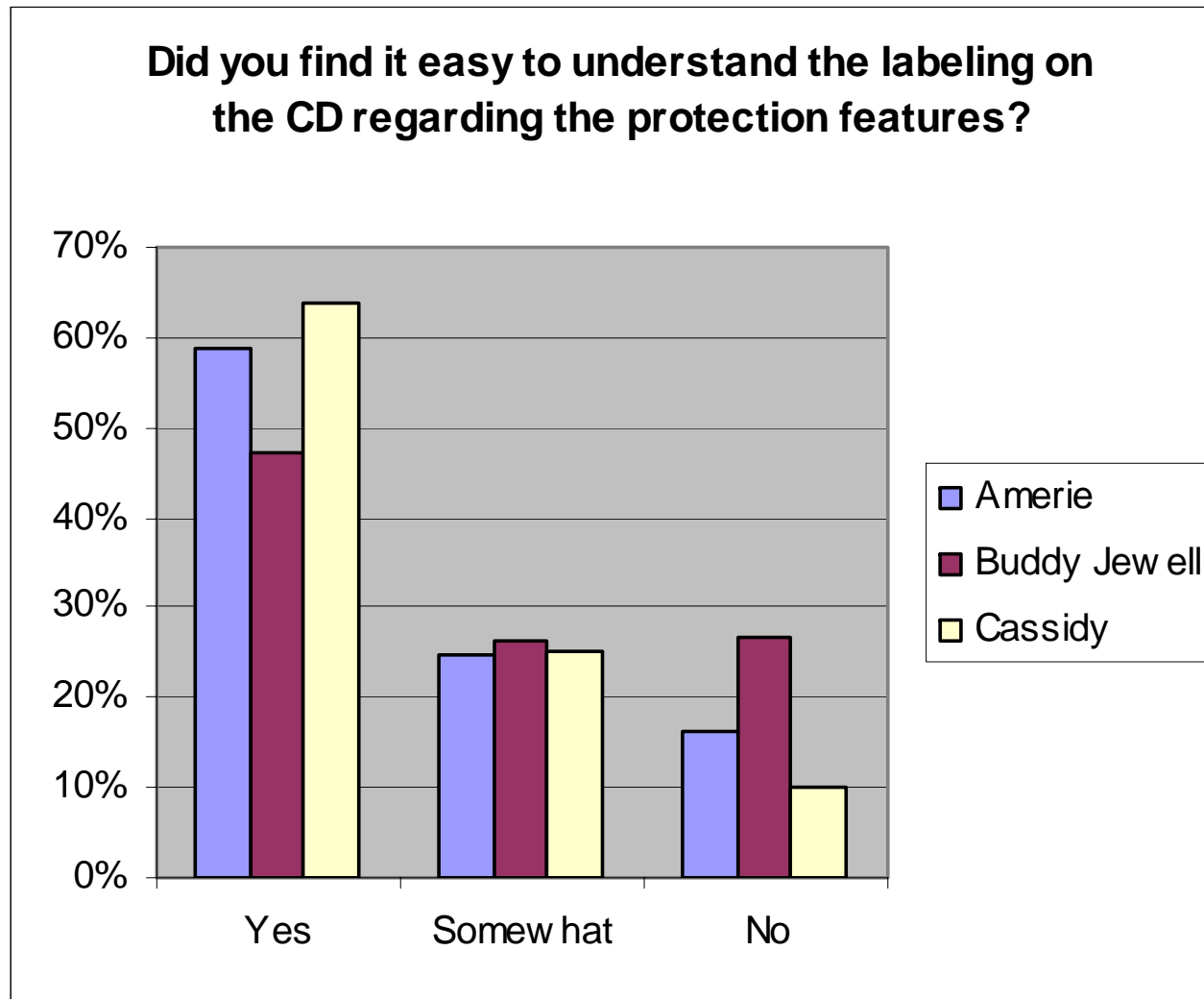
- As a comparison, 628 and 611 consumers were surveyed for the Anthony Hamilton and JKwon surveys, respectively

Labeling

Almost half of all consumers noticed the protection labeling from the packaging



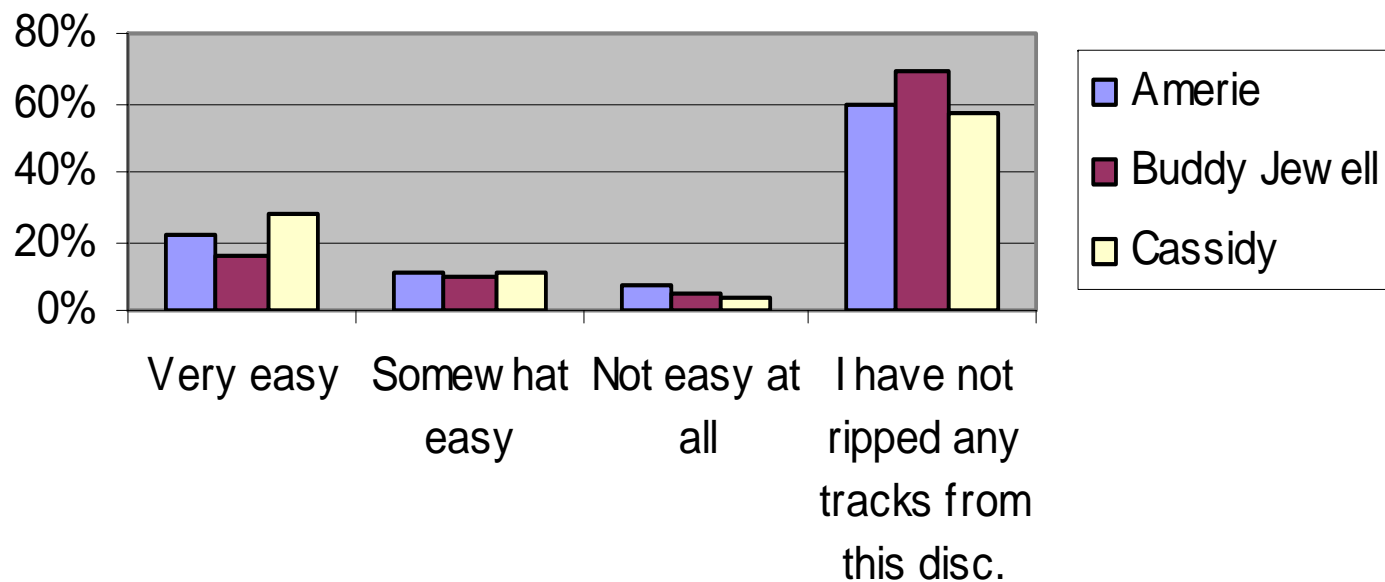
Over 80% of consumers found the labeling easy or somewhat easy to understand



How easy were the disc features to use?

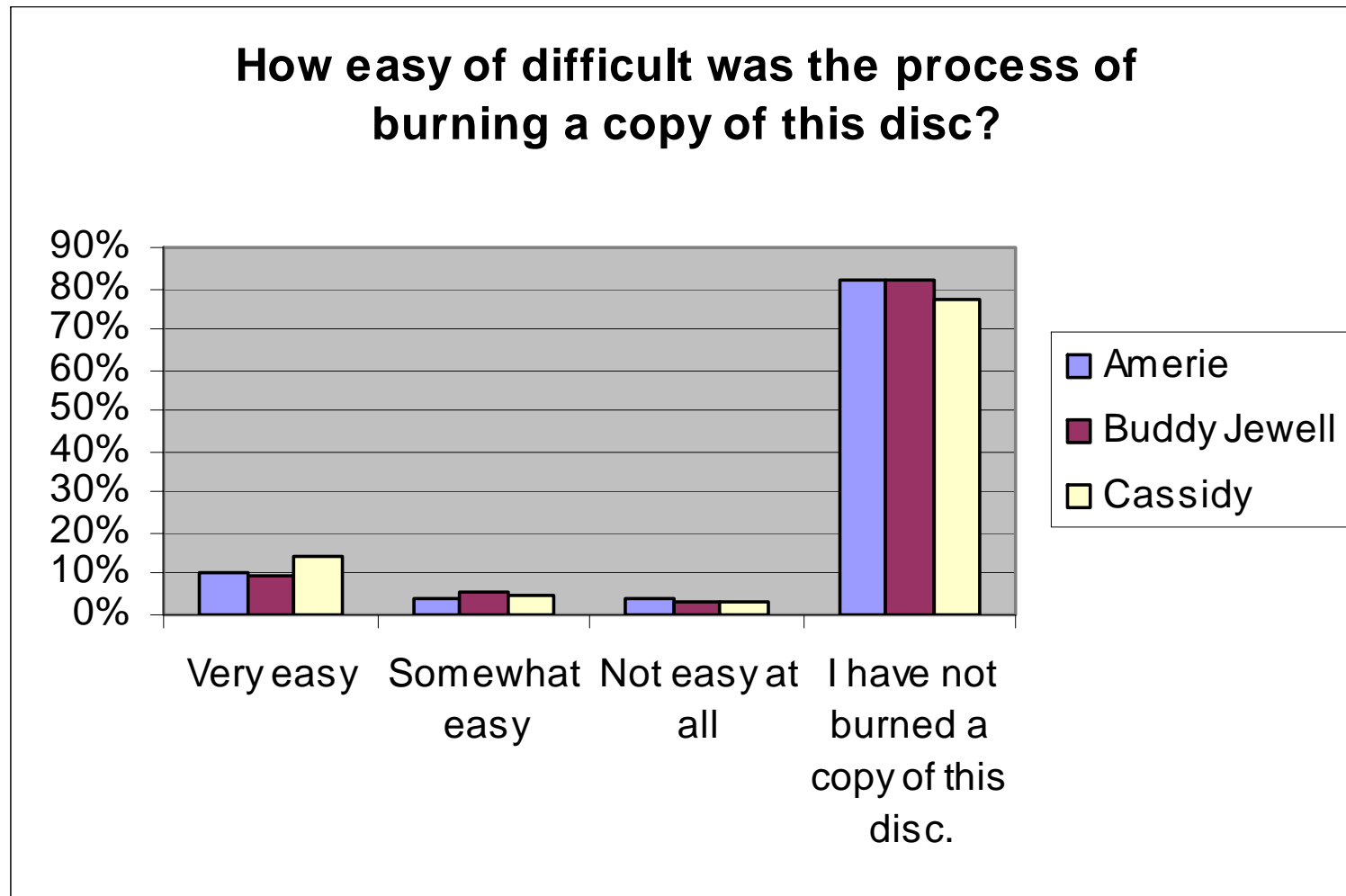
While most did not rip tracks, 85% of those who did reported that the process was easy

How easy or difficult was the process of ripping tracks from the disc?

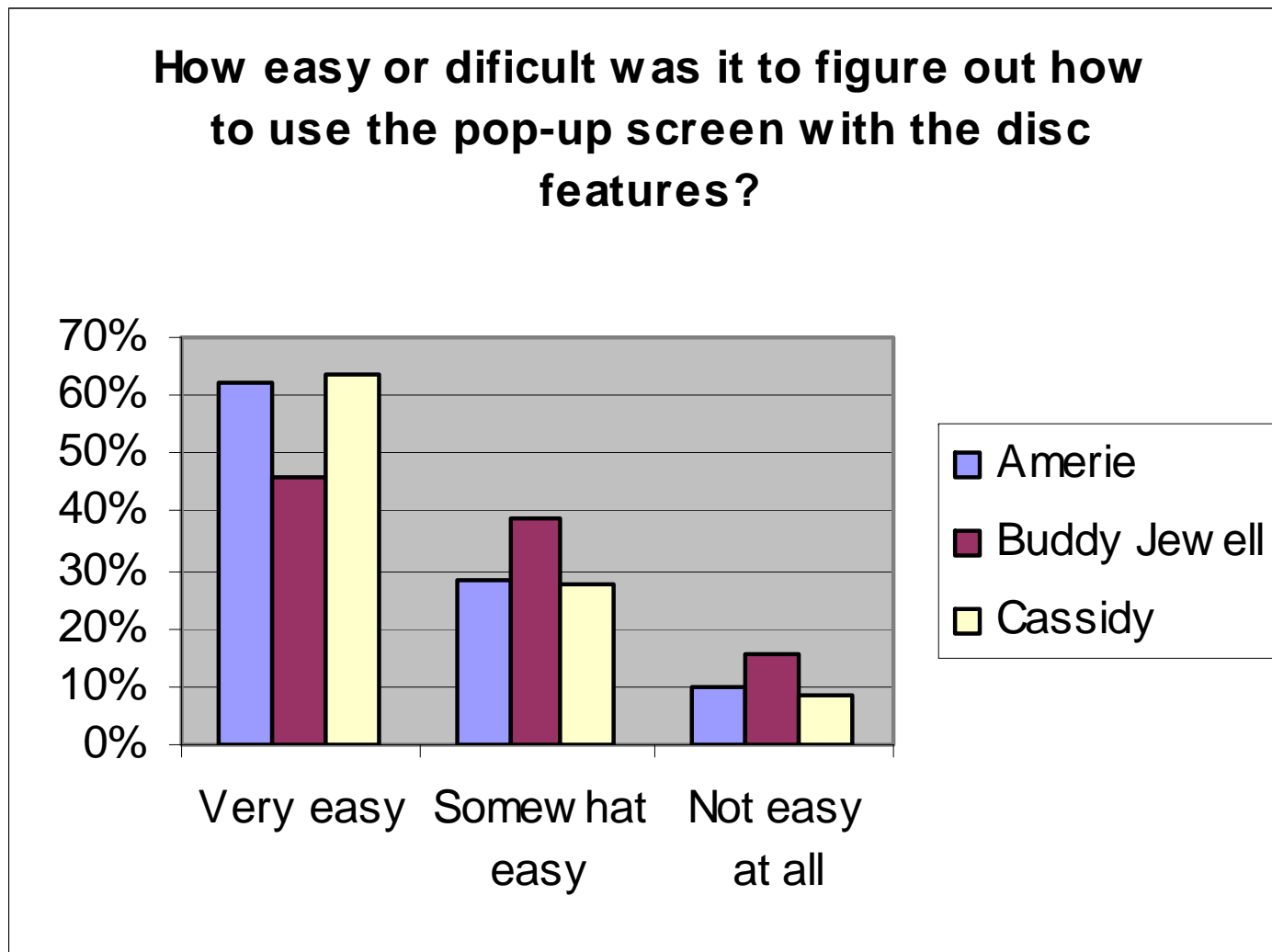


► For those who reported that the process was not easy much of this can be attributed to confusion about the ability to rip to mp3

While most did not burn a CD-R, over 80% of those who did reported that the process was easy



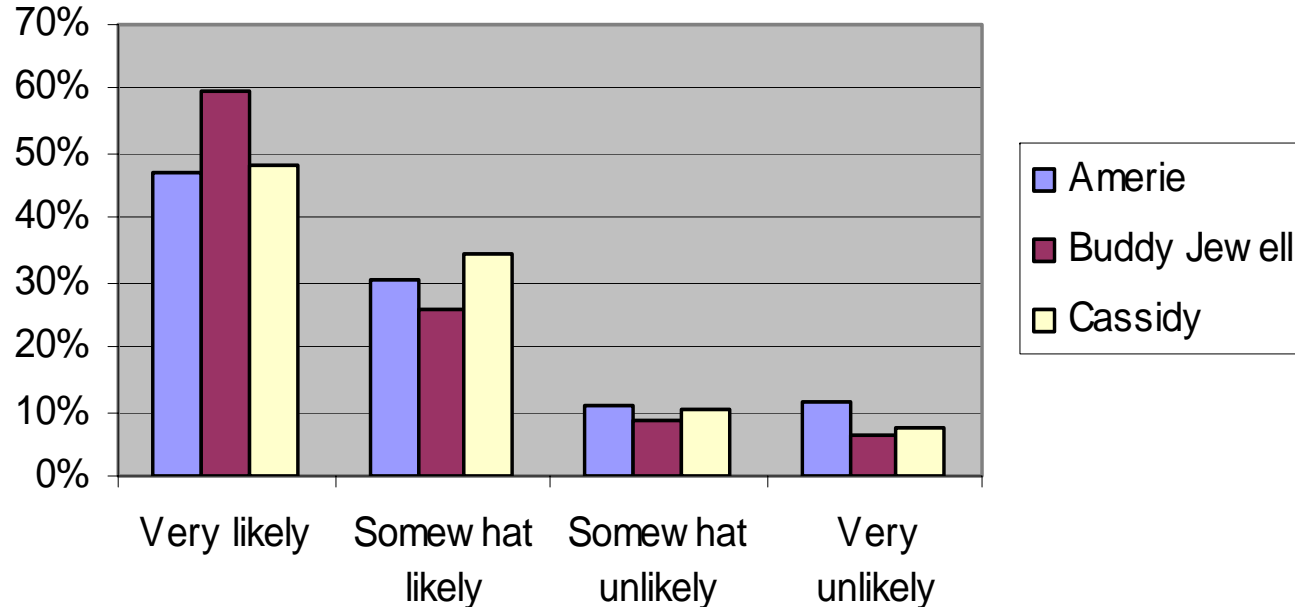
Nearly 90% of users found the interface easy to use



Will consumers buy more protected CDs
in the future?

While on average over 80% of consumers said they would likely buy a protected CD again...

In the future, how likely are you to buy CD's that are "Content Protected" (i.e., that limit the number of times you can copy it, or prevent ripping to unprotected MP3s)?



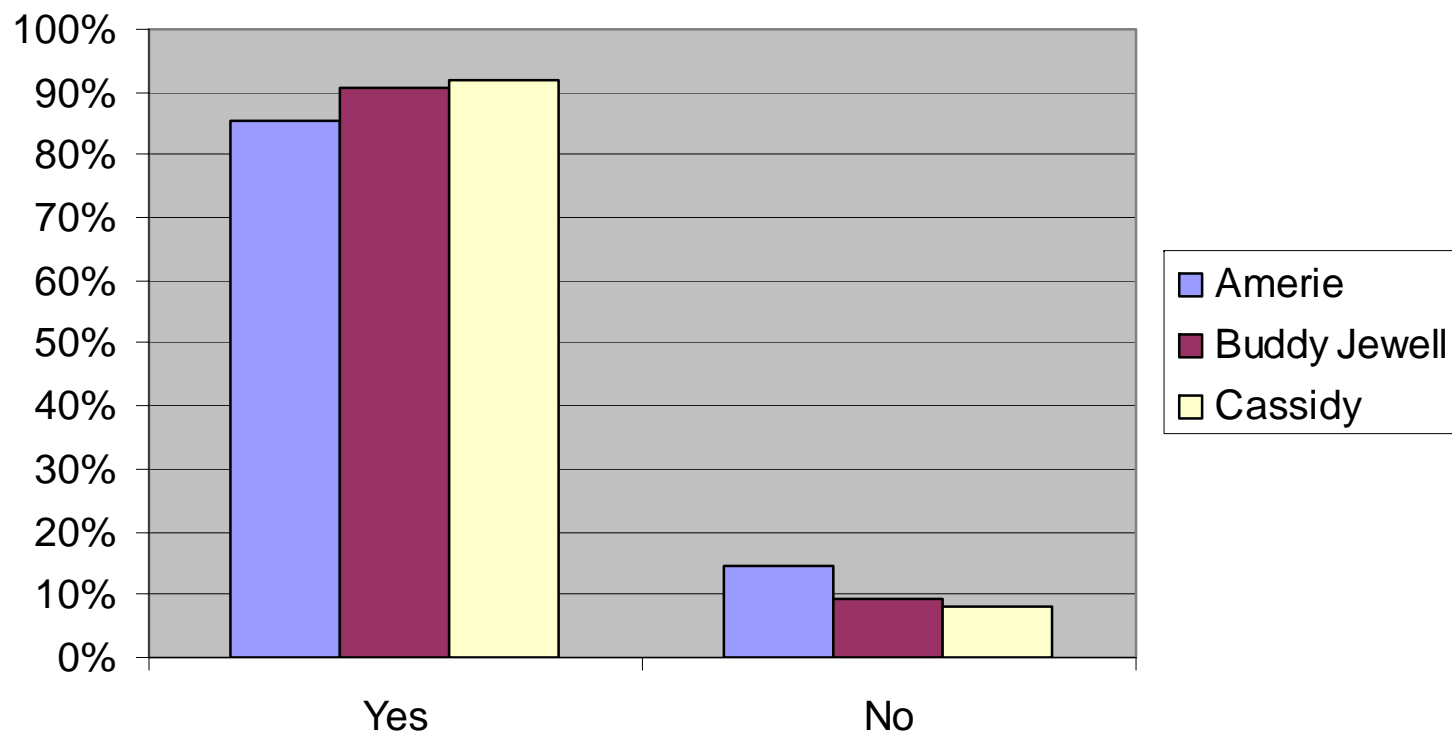
► An analysis of the negative responses noted that about 50% of these are due to either iPod incompatibility or confusion about disc features.

► **Note: a positive reading over 80% is regarded as very good in product research**

► As a comparison, on average 77% of JKwon and Anthony Hamilton consumers said they would likely buy a protected CD again

...approximately 90% of consumers would still buy a title that they were planning on purchasing even though it is protected

If you find out that a CD you are planning to buy is only available in a "Protected" form, would you still buy it?



► An analysis of the negative responses noted that about 50% of these are also due to either iPod incompatibility or confusion about disc features.

► Likewise, 89% of Anthony Hamilton and JKwon consumers said they would still buy the CD

Conclusions